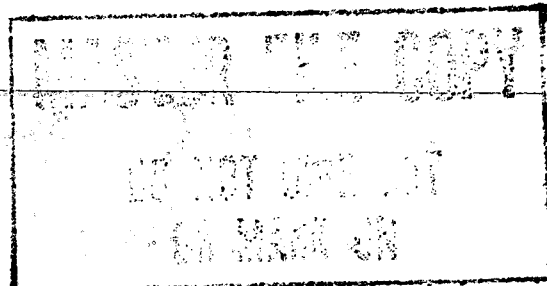




Directorate of
Intelligence

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The Philippines After Marcos: A Perspective on Succession Politics

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An Intelligence Assessment

State Dept. review completed

DIA review
completed.

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June 1983

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The Philippines After Marcos: A Perspective on Succession Politics

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An Intelligence Assessment

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This paper was prepared by [redacted]
Office of East Asian Analysis, [redacted], Office
of Central Reference. It was coordinated with the
Directorate of Operations and the National
Intelligence Council. [redacted]

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Comments and queries are welcome and may be
directed to the Chief, Southeast Asia Division, OEA,

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**The Philippines After Marcos:
A Perspective on
Succession Politics**

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Key Judgments*Information available
as of 16 May 1983
was used in this report.*

The concentration of political power in the person of President Ferdinand Marcos will make the transition to a new government precarious when he departs the scene. Although Marcos has established institutions for overseeing presidential elections if he dies or is incapacitated in office, we are uncertain that they will hold up.

In our judgment, no single individual among the ruling power elite now commands sufficient resources to come to power on his or her own, but Imelda Marcos seems to have the inside track. Defense Minister Enrile is another contender, and there are two or three darkhorses, all from Marcos's ruling circle. Succession jockeying is already under way among presidential aspirants. The recent ruling party attack on Prime Minister Virata's economic policies reflects Mrs. Marcos's longstanding desire to wrest important policy areas from the technocrats' control. In the final analysis, however, we believe the military will be the deciding factor in the succession by its support of existing constitutional succession mechanisms.

The United States, because of its financial, military, and historical ties to the Philippines, will inevitably be drawn into the succession process. Political factions in the Philippines have constituencies among the 800,000 ethnic Filipinos living in the United States, and they will expect US intervention on their behalf. At the least, Washington will be blamed if the transition period is not smooth.

We believe our bilateral relationship will be altered in any case because an immediate successor government, lacking the monopoly control over politics Marcos currently enjoys, during the transition period will have to appease domestic constituencies Marcos can ignore. The Philippine Government might adopt a more nationalistic posture, which among other things would focus on our use of military bases there.

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A Chronology of Recent Constitutional Succession Mechanisms

- 1965 *Marcos elected President for four-year term.*
 - 1969 *Marcos reelected for second, and constitutionally mandated last, four-year term.*
 - 1972 *Marcos declares martial law under provisions of the 1935 Constitution, citing danger of a violent overthrow of the government by Communist rebels. Partisan political activity suspended.*
 - 1973 *New British-style Constitution approved by hastily formed local assemblies. For an indefinite transition period, Marcos is empowered both to exercise executive power as Prime Minister and perform ceremonial functions as President; era of "constitutional authoritarianism" begins.*
 - 1978 *Rubberstamp Batasang Pambansa—interim unicameral legislature—begins to function; Marcos retains power to rule by decree if legislature is deadlocked; bill defeated that would have resurrected office of vice president.*
 - 1981 *Martial law lifted; Marcos retains power to have subversives arrested and held indefinitely, using Presidential Commitment Orders. Plebiscite approves constitutional amendments that modify parliamentary system along French lines. President given executive authority, including power to nominate prime minister; president can now be elected to an indefinite number of six-year terms. Executive Committee is created. Marcos is reelected President in June and appoints Cesar Virata Prime Minister; Marcos also names six other people to serve with Virata on the Executive Committee.*
 - 1982 *Marcos gives General Ver secret memorandum of instructions on what to do if presidency became vacant. Opposition fears military takeover during an interregnum. Marcos names four more people to Executive Committee, but one declines to serve. Legislature passes procedural rules for the Executive Committee and defines presidential incapacity.*
 - 1983 *Opposition leader in the legislature files a resolution calling for the restoration of the vice-presidency.*
 - 1984 *Legislative elections to be held that will formally end the transition period to a new system of government.*
 - 1987 *Marcos's presidential term expires and new elections will be held.*
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The Philippines After Marcos: A Perspective on Succession Politics

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The Succession Problem

After 17 years in office, Ferdinand Marcos is the glue that holds the Philippine political system together. Political institutions are largely his personal creations. Several constitutional revisions and nine years of martial law (1972-81) effectively neutralized the legislature and the judiciary, expanded the political role of the military, and kept his major opponents in exile or divided. By skillfully pitting his opponents against one another and preventing competing power centers from emerging, he has precluded any single individual, political party, or institution from amassing the strength to fill the power vacuum his death, incapacitation, or retirement will leave. Thus, we cannot say who will succeed him or how well existing succession mechanisms will hold up.

succeed Marcos, in our view. Except for the political opposition to Marcos, most major interest groups—the military, the technocrats, and the business elite—are represented on the Committee. Because most members of the Executive Committee are also members of the ruling party, the KBL (New Society Movement) will inherit immediate control of the government.

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The prime minister serves as the Committee's chairman and would head an interim government. Although the President can appoint up to 14 members to work with him, the Committee now is composed of the prime minister and nine other persons (see appendix A). Because the President can appoint and remove officials from the Executive Committee, Marcos still has considerable power to influence the succession process.

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Formal Succession Arrangements

The 1981 amendments to the 1973 Constitution establish a legal mechanism for succession (see box). Although the amendments make no provision for a vice president, they create an Executive Committee to exercise authority collectively if Marcos dies or is incapacitated while in office. The Committee's authority lasts up to 90 days, during which time a presidential election is to be held. If the Committee became deadlocked or otherwise unable to carry out its functions, the speaker of the legislature² would become acting president.

Serious doubts remain among domestic and foreign political observers as to whether the Executive Committee is powerful enough to uphold the prescribed constitutional arrangements. President Marcos himself was apparently so concerned about this issue that, just prior to his visit to Saudi Arabia in March 1982, he gave Armed Forces Chief of Staff Gen. Fabian Ver secret instructions to be carried out if anything untoward happened to him while he was abroad.

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Not only will the Executive Committee be in a unique position to shape the successor government, but several of its current members are potential contenders to

¹ Marcos's six-year term in office expires in 1987, and his intentions are unknown. It is possible that he will designate a successor after 1986, but this assessment considers the possibility that the succession may occur before then through death or incapacitation, say in the next three years.

² We believe that Querube C. Makalintal, the present speaker of the legislature, would be only a figurehead as acting president, transmitting the orders of the majority KBL party and whoever controlled it. US officials report that Marcos chose Makalintal for the speakership of the National Assembly because of his loyalty and because he was the least assertive of the possible candidates.

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The Ver memorandum, which Marcos has never denied exists and which may remain in effect, provoked a storm of protest from opposition politicians. Some of Marcos's followers in the legislature responded in mid-1982 by seeking to limit the powers of the Executive Committee—particularly its power to declare martial law during an interregnum and thus delay presidential elections. The bill that finally emerged from the legislature, however, clarified presidential incapacitation and set up procedural rules for the Executive Committee—such as the definition of a quorum. More recently, concerned with the possibility of a contentious power struggle after Marcos's death, opposition legislators have tried to pressure Marcos into designating a successor by calling for the revival of the position of vice president. [redacted]

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The Key Succession Players

In the immediate post-Marcos period, we believe Marcos's successor will emerge from a select group of people in the current political hierarchy. In our view, the winner will be able to manipulate the existing constitutional arrangements to his or her advantage. Because of Marcos's policy of creating competing power centers, however, we believe no single individual commands sufficient military, economic, and political resources to consolidate power quickly [redacted]

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[redacted] More likely, in our view, alliances between two or more of these individuals will produce a new government whose durability would be tested over time. On the basis of reporting from and discussions with US Embassy officials in Manila, [redacted]

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[redacted] we believe the key players will be First Lady Imelda Marcos, Defense Minister Juan Ponce Enrile, Armed Forces Chief of Staff Gen. Fabian Ver, Deputy Chief of Staff Fidel Ramos, and Prime Minister Cesar Virata [redacted]

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Imelda Marcos. In our judgment, if Mrs. Marcos can garner the personal support of General Ver she will have the best chance at succeeding her husband. Because of her relationship to the President, the political skills she has developed over the years, and the resources she commands, Mrs. Marcos is a major force in the ruling KBL political machine. With a personal fortune estimated at \$1 billion, she has the financial clout to keep traditional Philippine patron-client politics operating to her advantage. Unless the KBL collapses in the immediate post-Marcos period,



Imelda Marcos [redacted]

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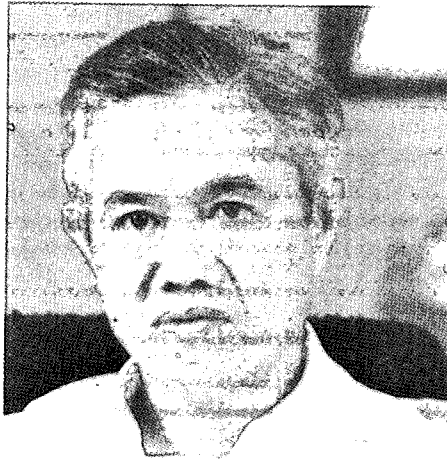
we believe her extensive network of supporters in the bureaucracy, her many outstanding political markers, and her sheer energy will be a near-unbeatable combination in a presidential election she would almost certainly control. Nonetheless, her bid for power will be strongly contested, in our view, and she will need to make compromises with the technocrats and the military—two groups in which she has limited support—in order to remain in power. We believe she is more willing to curry favor among the officer corps than among the technocrats, who US officials say she regards as little more than uncreative accountants lacking political vision. The extent of Mrs. Marcos's influence in the armed forces is unknown, but, according to US Embassy reports, she appears to be trying to neutralize her opponents in the military while dispensing privileges and largess to her favorites. [redacted]

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Prime Minister Cesar Virata. Although speculation was rampant that President Marcos was grooming Virata as his successor when he appointed him Prime Minister in 1981, we believe Virata's political position has weakened considerably since Mrs. Marcos became a member of the Executive Committee last year. Despite his involvement in a broad range of policy

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Prime Minister Cesar Virata [redacted]



Gen. Fabian Ver [redacted]

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issues as head of the Executive Committee and Finance Minister, we believe the KBL's recent attacks on Virata's economic policies and his lack of a political power base make his accession to the presidency unlikely. Nonetheless, Virata and the technocrats he represents will be courted by presidential aspirants, in our view, because their expertise is crucial to maintaining the confidence of foreign investors and the international financial community. His position as head of the interim government, moreover, will be bolstered if the military supports the Executive Committee, as the Constitution requires. [redacted]

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Gen. Fabian Ver. As head of the armed forces and the intelligence network, Ver will be a critical actor in the immediate post-Marcos period. Since he became Chief of Staff of the Armed Forces in 1981, Ver has consolidated his control over the armed forces by placing loyalists in most key positions in the military establishment. [redacted]

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We estimate that about half of the Philippine Constabulary's and one-third of the Philippine Army's senior officers are loyal Ver men. Because we are unable to measure the degree to which Ver's politicization of the military promotion system may be creating an undercurrent of resentment among professional soldiers, however, we cannot say for certain that Ver holds the key to the armed forces. [redacted]

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[redacted] Ver is utterly loyal to President

Marcos and committed to protecting the First Family. They are less certain that this loyalty will translate into political support for Mrs. Marcos. In any event, US Embassy officials in Manila do not believe that Ver has presidential ambitions of his own and do not think him intellectually capable of handling the presidency. [redacted]

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Defense Minister Juan Ponce Enrile. Although Enrile has tremendous political and economic assets to bring to bear on a bid for power and in our judgment will go after the presidency ruthlessly, we do not believe that his chances for success are good. He does not command much support in the officer corps, according to US officials, despite his position as Defense Minister. Enrile's political support in his home base of Northeastern Luzon, moreover, is weak and does not extend nationally. [redacted]

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[redacted] We believe attempts by Enrile to cultivate a greater political following would be hampered by his identification with the imposition of martial law, last year's crackdown against the Catholic Church, coconut marketing policies that are unpopular in rural areas, and by the personal enmity of Mrs. Marcos. [redacted]

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Defense Minister Juan Ponce Enrile



Gen. Fidel Ramos

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Enrile will still be a force to contend with, however, because of his personal wealth and the financial assets of his associate Eduardo Cojuangco, which Enrile may be able to call on in a presidential bid. Because money is a critical factor in this traditional patron-client system, these resources may yet translate into a broader power base for Enrile during the post-Marcos period.

Enrile also has supporters in the KBL and may represent a palatable choice for those members of the elite who find themselves in the camp of "anyone but Mrs. Marcos."

Gen. Fidel Ramos. Although we do not believe Ramos covets the presidency, he will make an attractive ally in the succession period because of his untarnished professional image and the military and police resources he controls. US officials believe that he is the only officer who has developed an independent power base in the armed forces based on personal competence and professional respect. As a result, Ramos can also claim some support among moderate opposition politicians and may have indirect links to exiled opposition leader Benigno Aquino through their mutual friend, businessman Enrique Zobel. Most observers believe that Ramos will support constitutional mechanisms for succession.

Other Players

We believe the prospects of other groups in the succession equation will depend to a large extent on whether the KBL's political machine remains intact (see box). We do not know if the ruling party will survive the immediate post-Marcos period. Marcos himself has commented that there are deep divisions of opinion and interests within the KBL, and Deputy Prime Minister Jose Rono recently told US officials that he believes that upon Marcos's death the KBL would dissolve immediately. In that event, we believe the moderate political opposition will have a better-than-even shot at their long-denied chance at power, as politicians from both the KBL and the moderate opposition form new coalitions in preparation for elections.⁴ The radical left would also view the collapse of the KBL as an unprecedented opportunity, and we believe the extent to which they successfully exploit the political uncertainty in the immediate post-Marcos period will determine the military's willingness to intercede.

⁴ In this environment, compromise candidates from the defunct KBL would also have an opportunity to succeed Marcos, but, if history is any judge, Filipinos will seek a distinct change in government. In the almost 40 years since Philippine independence from the United States, only Marcos has been elected to more than one presidential term. Given this precedent, we believe moderate opposition candidates would have an edge over those more closely identified with the Marcos government.

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Benigno Aquino

The Philippines ©

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launching a successful presidential campaign. Although technically ineligible for the presidency because he no longer resides in the Philippines, the 50-year-old Aquino still has wide popular appeal, the existence of a well-organized opposition party—the PDP-Laban—behind him, and the political opportunism and savvy to unite rival interest groups. Since 1978, when he ran for a parliamentary seat from a jail cell, his name has attracted a large following for his party among the urban middle class.⁵ Aquino's long imprisonment by Marcos and his current exile have given him a moral appeal to many voters,

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We believe Aquino would be able to attract considerable financial support for a presidential bid. His wife's family was once a major financial power in Tarlac Province,

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Moreover, Philippine politics has traditionally involved a good deal of "party switching" because party loyalty primarily depends on personalities rather than ideology. Although Aquino is distrusted by many opposition leaders, we believe he would nonetheless have the best chance of projecting

The Moderate Political Opposition. Of the traditional members of the ruling elite, we believe Benigno Aquino—now living in the United States—has the best chance of unifying Marcos's opponents and

⁵ Marcos released Aquino from jail in 1980 to go to the United States for heart surgery, which was successful.

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25X1 a winning image and pulling together a political constituency that could attract financial support from many quarters. [redacted]

For his part, Aquino reportedly is anxious to return to the Philippines and bolster his political position in the post-Marcos period by running for office in National Assembly elections next year. Aquino, however, faces murder and subversion charges upon his return unless he can cut a deal with the President. Mrs. Marcos secretly met with Aquino during her visit to the United States in May 1983. [redacted]

25X1 If examples from the Marcos years are any guide, we believe it highly likely that election rules in the post-Marcos period will be stacked against any opposition candidate, and vote fraud will exist on both sides. Even if there were fair elections and Aquino emerged with a popular mandate, however, we doubt he would last long as president. For one thing, we believe the military as a group is extremely suspicious of Aquino and probably would not tolerate him. The military's distrust apparently stems from Aquino's revelations in the late 1960s of Manila's involvement in a secret plan to infiltrate Sabah, Malaysia, and his ongoing contacts with US-based anti-Marcos terrorists and Philippine Muslim rebel leaders in the Middle East. [redacted]

25X1 **The Radical Left.** We believe the Maoist-style Communist Party of the Philippines (CPP) would make a concerted effort to exploit the succession process. The Communists believe in a two-pronged revolutionary strategy and are not likely to miss either military or political opportunities. If elections are held, the CPP would probably try to increase their political stature by fielding candidates through legitimate political parties they have infiltrated or by using their front groups to gain influence in a new government. In recent conversations with US Embassy officials, several moderate opposition leaders independently said that they had already been contacted by CPP leaders,

who boasted in some instances that their help would guarantee election victories for cooperative parties in legislative elections next year. [redacted]

In the next two to three years, however, the CPP's military arm—the New People's Army (NPA)—will not be strong enough to launch an effective military takeover of the government, in our judgment. [redacted]

The Military. In the final analysis, we believe the military will be the deciding factor in succession dynamics. Military leaders will be confronted with a variety of options:

- They could unite behind the Executive Committee's collective leadership and ensure that presidential elections are held.
- They could divide along factional lines in support of political candidates of their choice.
- They could throw their weight behind a civilian figurehead, while retaining power for themselves, or actively support a candidate who they believe would protect their interests.
- They could seize power themselves and rule by military junta. [redacted]

On balance, we believe the military would probably act as a group to support existing constitutional succession mechanisms, as has been its tradition. We believe the armed forces will play a stabilizing role in a succession by supporting a compromise civilian candidate of their choice or the winner of an intraelite election contest. A military coup, although least likely in our view, would become more likely over time if a new government were unable to consolidate power and internal security deteriorated. An upsurge in nationwide NPA or Muslim insurgent violence, for example, or a return to pre-martial-law conditions when large private armies existed, might precipitate military intervention. [redacted]

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Current Jockeying for Position

Succession jockeying for the post-Marcos period has already begun. Several presidential aspirants have been building their power bases, quietly probing the limits of their authority, and trying to undermine other potential contenders. Mrs. Marcos is doing most of the maneuvering and jockeying. [REDACTED]

he had tendered his resignation to Marcos but it had been refused. Although Virata temporarily came out on top, the episode showed his lack of support among ruling party politicians and his inability to muster a political defense independent of the President. Nonetheless, letting Virata go has its risks for Marcos, who recognizes such a step would adversely affect the Philippines' credit rating abroad. [REDACTED]

[REDACTED]

Formation of the Philippine-US Business Development Council by Kokoy Romualdez—Mrs. Marcos's brother—and his unsuccessful bid to handle Manila's contacts with the International Monetary Fund (IMF) and the World Bank are further evidence of Mrs. Marcos's longstanding desire to wrest important policy areas from the technocrats' control. [REDACTED]

The most recent round of infighting was the KBL's attack against Prime Minister Virata at the ruling party caucus in mid-April. Spearheaded by Imelda Marcos, the campaign calling for Virata's ouster attracted widespread support among leading KBL politicians, many of whom face legislative elections next year. They joined Mrs. Marcos in accusing Virata of selling out Philippine national interests to the IMF and the World Bank, and complained about the financial austerity program imposed on the Philippines in return for continued balance-of-payments assistance. [REDACTED]

For his part, Virata reportedly defended his actions articulately at the caucus and later fought back by forcing the President to acknowledge his support publicly. In television interviews, Virata claimed that [REDACTED]

[REDACTED]

Implications for the United States

The United States will unavoidably be drawn into the succession process when it occurs if for no other reason than our concern over continued use of Subic Bay Naval Base and Clark Airbase. In addition, the United States has strong financial links to the Philippines. US banks have acquired a \$6 billion loan stake there and, with net investments by US firms totaling \$1.2 billion, we remain the Philippines' largest foreign investor. [REDACTED]

Both the moderate opposition and the ruling elite, moreover, have political constituencies in the United States which we believe will try to influence US policy during and after the succession. About 800,000 ethnic Filipinos live in the United States, and there is constant two-way travel that reinforces the notion—prevalent in the Philippines—that the United States has a special moral obligation to the Philippines because of the colonial relationship. At the very least, we believe that moderate opposition politicians in exile here will encourage the United States to uphold

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constitutional succession mechanisms, and in all likelihood they will expect the United States to intervene behind the scenes to determine the succession outcome. In the worst of circumstances, Philippine opposition leaders here will blame the United States if the transition to new leadership is not smooth or for any unrest that occurs. Working in our favor, however, is a strong reservoir of good will that may offset Philippine inclinations to hold the United States accountable. [redacted]

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No matter who leads it, a new government, in our judgment, will want continued close relations with the United States. Even so, a successor government will have to be more responsive to its domestic constituencies because it is unlikely in the short run that any post-Marcos politician can muster the monopoly on power that Marcos enjoys. We also believe a new government will face nationalistic pressures from these constituencies, including the bureaucracy, elements in the military, and the moderate political opposition. A more nationalistic stance by the government might take the form of adopting stricter positions on foreign investment, or tougher negotiations with the IMF. In terms of US bilateral issues, it would almost certainly focus on the US military bases. During the recently concluded review of the Military Bases Agreement, for example, President Marcos remained the arbiter of last resort, keeping nationalistic pressures for a bigger compensation package and greater control over operation of the bases in check. [redacted]

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